

Quebec

Government  
Publications

# Still on Oil?

Get up to \$800  
to change

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**COSP**

March 1983

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# The Canada Oil Substitution Program

The Canada Oil Substitution Program (COSP) provides Government of Canada grants to householders and businesses to help meet the costs of converting from oil as a heating fuel to less costly and more plentiful domestic energy sources. COSP is a major element of a national policy to reduce Canada's dependence on oil.

Hundreds of thousands of Canadian households switching "off oil" in the 1980s will be making important choices affecting their finances, home comfort and even lifestyles. This brochure explains the basic elements of COSP and offers some fundamental pointers about home heating alternatives.

Two important sources of further information are:

- *The Quebec regional office of Energy, Mines and Resources (EMR)*

You are invited to call toll free or write:

Conservation and Renewable Energy Office  
605 Dorchester Blvd., West  
Montreal, Quebec H3B 1P4

Toll free 1-800-361-8025

Montreal area (514) 283-5632

Your EMR office provides advice and assistance to COSP applicants for conversions to propane and renewable energy sources including wood and solar. It can supply detailed publications, COSP application forms and the COSP Acceptance Numbers required for wood and solar equipment.

- *Local or provincial gas and electric utilities  
Conversion to electricity*

Contact the Hydro Quebec office in your area at the telephone number appearing on your hydro bill.

To be eligible for a COSP grant, the Government of Quebec requires that homes replacing their oil heating systems with electrical or combination wood-electric systems must obtain an energy analysis offered by the provincial ENERGAIN QUEBEC program.

#### *Conversion to natural gas*

Call the gas distributor in your area:

|                |                        |          |
|----------------|------------------------|----------|
| Montreal       | Gaz Métropolitain      | 527-7231 |
| Hull           | Gazifère Inc.          | 771-8321 |
| Rouyn-Noranda  | Gaz Provincial du Nord | 762-0831 |
| Quebec         | Gaz Inter-Cité         | 659-5111 |
| Trois-Rivières | Gaz Inter-Cité         | 376-4848 |



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# COSP Grants

## Basic terms

*COSP will pay half the eligible costs of materials and labour for conversions of oil-fired heating systems, to a maximum grant of \$800.*

This applies to:

Single-family residences, such as

- single detached houses
- semi-detached or row houses each with its own heating system,

Individually heated buildings, such as

- farm buildings, warehouses, factories
- churches, schools, hospitals, homes for senior citizens, public libraries and similar specified public or community-owned buildings.

For residential buildings containing *two or more self-contained family dwelling units*, COSP will pay *half of the eligible material and labour costs to a maximum grant of:*

| Units        | Grant   |
|--------------|---------|
| 2-3          | \$1,000 |
| 4-6          | \$1,500 |
| 7-10         | \$2,500 |
| 11-20        | \$3,500 |
| 21-50        | \$4,000 |
| more than 50 | \$5,500 |

If a landlord wishes to convert multiple-unit dwellings with a single heating system to individually metered heating systems, an ENERGAIN QUEBEC energy analysis must be performed, and the recommended cost-effective improvements must be carried out in order to qualify for this type of COSP grant.

Other important COSP rules:

- COSP applies to conversions of space heating, water heating and industrial process heating systems
- COSP applies only to work done on or after October 28, 1980
- The replacement of an oil-fired heating system, installed after October 28, 1980, is eligible only if the current owner did not have control over the installation of this system; or if the new energy source was not available, or was not an eligible fuel, when the oil-fired system was installed.
- Only permanently installed equipment is eligible
- The grant is tied to the property rather than the applicant

- A record of all grants is kept to prevent duplication
- Application may be made by owners or by tenants with the authorization of landlords
- Properties such as cottages are not eligible unless they are used as principal residences

## **Taxation of grants**

COSP grants must be reported as income for tax purposes. T4 or TP4 forms will be sent to grant recipients. The amount of the grant must be included in the tax return of the spouse whose income is higher. COSP grants do not affect the Guaranteed Income Supplement paid to pensioners under the Old Age Security Act.

## **Eligible conversions**

- Replacing an oil-fired system with a different energy source (e.g., oil furnace by a natural gas or electric or wood furnace)
- Supplementing an oil-fired system to reduce oil consumption by at least one-half (e.g., adding a wood stove, electric plenum heater or heat pump)
- Adapting an oil-fired system (e.g., with a propane or natural gas conversion burner or with a wood-burning add-on)
- Supplementing hot water or space heating with an active solar heating system that displaces at least one-third of the oil now used
- Completely displacing with an active solar heating system the oil used for an outdoor swimming pool

## **Two stage conversions**

Part of the maximum grant may be obtained at one time and the remainder later

### ***by supplementing and later eliminating oil***

- the supplementary system must meet at least half your space or water heating requirements
- the second step must eliminate the use of oil

### ***by renting and later buying non-oil-fired equipment using the same energy source***

- installation costs for rental equipment qualify as eligible costs
- rental charges are not eligible costs

## **Eligible costs**

- total cost of eligible equipment and materials
- total labour cost of a contract installation of eligible equipment and materials
- expenses for the contracted removal of oil-fired heating equipment, storage tanks and associated materials
- costs for transferring existing residential humidification and/or air conditioning equipment to the new system
- reasonable costs for municipal or other permits

## **Costs not eligible**

- expenses for a change between hot air and hot water systems
  - expenses for the relocation of a furnace or other equipment unless essential to the conversion
  - labour expenses for work done by the applicant or the applicant's spouse
  - piping, ducting or installation of heating devices in previously unheated or new areas
  - the purchase, installation or servicing of humidifiers, electrostatic air cleaners, or air conditioners (except heat pumps)
  - insulation or other conservation equipment or materials, except automatic setback thermostats installed as part of an eligible conversion
  - unusual and cosmetic service entrance connections
  - fireplaces, fireplace inserts
  - interest charges
- 

## **Important points for the householder**

Before making your off-oil decision, you should

- determine the alternatives to oil available in your area
- look carefully into the features and efficiencies of various heating systems on the market
- find out about and compare operating and conversion costs.

Your EMR office and utilities can help. Equipment suppliers and contractors also offer extensive, up-to-date literature on home heating.



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# Major alternative energy sources for heating

## Natural gas

When using the assistance of COSP to get off oil, a significant number of householders choose natural gas. In areas where natural gas is available, its cost and security of supply make it an attractive alternative. Other federal government programs are helping to expand the gas distribution network in the province. Call your utility to find out whether gas is available or will be available in the future. Advanced gas heating technology has produced a variety of improved-efficiency and high-efficiency heating appliances. These products are more costly to purchase but over their lifespan they can deliver significant savings to the consumer through lower fuel costs.

## Electricity

Like natural gas, electricity is a major off-oil alternative. The cost of electricity varies a great deal across Canada. For all-electric heating systems the cost of upgrading your home's electric service capacity should be included when comparing alternatives. Many householders can take advantage of the flexibility that electricity offers by combining it with other fuels. For example, it is possible under COSP to combine a serviceable oil-heating system with an electric system such as a plenum heater or heat pump to eliminate the use of oil in all but the coldest weather.

## Wood

Especially for rural householders, wood may be a good choice to supplement or eliminate the use of oil. However, you should satisfy yourself that now and in the future you can obtain wood at reasonable prices, and that you are prepared to devote the additional time and effort wood-burning systems require to operate and maintain.

Wood heating appliances are to be installed precisely to the manufacturer's specifications.



Equally important are the sizing and location of appliances. An oversized or poorly positioned space heater may be both unsafe and inefficient. Wood-fired appliances eligible for COSP must have controlled combustion, must have COSP Acceptance Numbers, and must be certified and labelled by CSA, ULC, WH or another agency recognized by the Standards Council of Canada. Call the regional EMR office if you need more information.

## **Propane**

When propane is already in use on the farm or in the home, or when the conversion costs of other alternatives are high, propane can be an economical long-term choice. In areas scheduled for future natural gas service (call your local gas utility), propane heating equipment can replace an oil-heating system now and be adapted easily to natural gas when it becomes available. Householders should consider using propane in combination with other locally available fuels to achieve the best balance of convenience and economy. Further savings are possible if the heating appliance chosen is of the newest, most efficient type.

## **Solar**

Because solar energy is basically free, solar heating can provide protection against rising fuel costs. However, householders are advised to weigh the initial costs of such systems carefully before making a decision to switch to solar. Solar hot water and pool systems are now available as packaged units from several Canadian manufacturers. Solar home space heating systems are usually specially designed for each residence. The solar collectors, in an eligible solar installation, must have COSP Acceptance Numbers.

## **Wind**

Wind systems, like solar systems, take advantage of a free energy resource. While these may be practical in specific applications, householders are advised to consider the available wind resource, local building requirements, system reliability and cost before choosing a wind system as an off-oil energy alternative.

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## Before you convert

### Sizing

Many residential heating systems are larger than necessary. Make sure that the heating capacity of your selected new system is no more than required and that it provides a balanced delivery of heat to living areas.

### Safety

No matter which energy option you choose, ensure that all equipment has been certified to a relevant Canadian safety standard and that the installation meets the specifications of the manufacturer and local authorities.

### Insulation

Quebec consumers wishing to obtain a COSP grant for conversions to electric heat must have an energy evaluation performed under the auspices of the ENERGAIN QUEBEC Program.

The ENERGAIN representative who visits your home may recommend how you can increase the energy efficiency of your dwelling. Although it is worthwhile to take advantage of the cost-effective measures suggested, you are not obliged to complete this work in order to qualify for a COSP grant.

The Ener\$ave Advisory Service can provide a free evaluation of energy-saving measures for your home and estimate the cost, potential yearly savings, and payback period. For a copy of the Ener\$ave questionnaire call your regional EMR office toll free at 1-800-361-8025 or 283-5632 in Montreal, or write to Ener\$ave, P. O. Box 4510, Station "E", Ottawa, Ontario, K1S 5K3.

If your home was built before January 1, 1971 you may be eligible for a taxable grant of up to \$500 under the Canadian Home Insulation Program.

Whether you decide to do it yourself, or use a contractor, you would be well advised to read the free CHIP Applicant's Guide before you start. It provides the basic program criteria, information sources

for the do-it-yourselfer, advice on how to choose a contractor, and a list of eligible materials. Phone your regional CHIP office collect at (514) 341-7105 or toll free at 1-800-361-6860 to get your copy and a CHIP application form.

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## How to convert your system and apply for COSP

- For conversions to natural gas or electricity, if you do not already have a COSP application form, phone or write to your local utility. For conversions to propane or renewables call your provincial EMR office to obtain the application form. For detailed instructions about applying, and information about invoices call your local utility or EMR office. Verify that the system you wish to install is eligible under COSP.
- Seek proposals and estimates from two or three contractors. If possible, check with a Better Business Bureau to find out whether it has received any complaints concerning the companies you are considering. Written estimates should include the total cost for all necessary work, itemized costs for materials and labour, and a statement that clearly identifies the responsibilities of the contractor and consumer. COSP and the Government of Canada will neither arbitrate nor become involved in any disagreements between you and your contractor.
- After checking the proposals and estimates for eligibility, authorize a contractor to proceed and obtain any local approvals or permits required. When the work is completed, obtain all inspections that are required.
- Never sign an incomplete contract or an incomplete COSP application form. If the contractor offers to complete a COSP application form on your behalf, check the accuracy of all information before signing the form.
- Check that the work mentioned on the estimate and invoice was actually done. Ask the contractor questions. A reputable and experienced contractor will be pleased to cooperate and explain what is being done.

- Check that the work is completed to your satisfaction before making your final payment to the contractor.
- Return the completed and signed application form, together with original invoices and permits, in the envelope provided. Please feel free to telephone your utility or EMR office for assistance in completing the form.
- The utility or EMR will verify the completed application form and forward it to the Government of Canada so that a cheque can be prepared and mailed to you.

## Invoices

Correctly completed *original* invoices must be included with your application in order to obtain a COSP grant. The invoices must contain

- name and address of the applicant and the contractor
- date of installation
- total costs for eligible equipment and eligible labour
- separate listings of major equipment installed or removed
- for gas and electric conversions the Contractor Number issued to contractors by EMR
- for solid-fuel and solar conversions the COSP Acceptance Numbers of equipment

For further information about COSP and assistance in applying for grants for conversion of *oil heating systems to gas or electricity*, phone your gas or electric utility; or for conversion of *oil heating systems to propane or renewable energy*, contact

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605 Dorchester Blvd., West  
Montreal, Quebec H3B 1P4

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